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Congress of the United States
House of Representatives
Washington, DC 20515-2504

June 18, 2010

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The Honorable Harry Reid
Senate Majority Leader
S-221, The Capitol
Washington, DC 20510

Dear Senator Reid:

When the House of Representatives overwhelmingly approved H.R. 4213, the Tax Extenders Act, on December 9, 2009, I was hopeful for swift Senate consideration so that differences between the House and Senate versions could be worked out and a final bill presented to the President by the end of last year. The House passed a common sense bill that extended expiring tax cuts important to farmers and business owners and paid for these tax cuts to ensure the bill was compliant with House pay-as-you-go budgeting rules. Regrettably, the Senate did not act before the end of the year, and a number of important tax cuts were allowed to expire on December 31, 2009.

The Senate approved an amended version of H.R. 4213 on March 10, 2010 – two months and ten days after the tax cuts expired and three months after the House first acted to extend them. Since that time, the bill has moved back and forth between the House and the Senate as additions to the measure and the costs associated with those additions have been debated.

Most recently, the House approved an amended version of H.R. 4213 on May 28, 2010, and sent this legislation back to the Senate for approval. As the Senate has debated the most recent House-passed bill, I have been terribly concerned with the inability to corral enough votes to pass the measure. I understand the complexities of legislating and know how tough it is to pass bills that are pay-as-you-go compliant. However, the inability to even consider a scaled back bill that extends tax cuts and other important assistance to American families is frustrating for the farmers and business owners I represent in rural Missouri.

It is important for Congress to quickly resolve this legislative stalemate. Many Americans rely on expired tax cuts to make long-term financial decisions about farm and business operations each year. This is particularly true with respect to the U.S. biodiesel industry, which relies on federal tax credits to compete with big oil companies that would like nothing more than to see homegrown energy producers put out of business.

The American people, farmers, and Congress have invested too much in renewable fuels to let the industry fail. But, without extending the \$1.00 per gallon biodiesel production tax credit and the small agri-business producer tax credit through the end of 2010, the development and sustainability of America's biodiesel industry and 52,000 jobs supported by the biodiesel industry are at risk. Allowing this tax cut to expire would not only be a blow to the rural American economy but it would also be a set back for the security of the United States because the more fuel we make here at home the less we have to buy from foreigners.

It is critical that Congress work quickly to preserve American homegrown energy and to renew and extend the biodiesel tax credit through the end of 2010. It is also very important to renew other tax cuts valuable to rural America that are included in H.R. 4213, such as extending the five-year depreciation for farming machinery and equipment, extending the charitable tax deduction for donated food, extending the tax deduction for donating conservation easements, and extending deductions for state and local sales and property taxes and for college tuition.

H.R. 4213 includes good tax relief for the American people. It should be enacted as quickly as possible.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Ike Skelton', with a long horizontal stroke extending to the right.

IKE SKELTON
Member of Congress

cc: The Honorable Nancy Pelosi
Speaker of the House of Representatives